

**Judgment of the Court (Seventh Chamber) of 8 March 2012 —
Commission v France**

(Case C-596/10)

Failure of a Member State to fulfil obligations — Value added tax — Directive 2006/112/EC — Application of reduced VAT rates to transactions concerning equidae and in particular to horses

1. *Tax provisions — Harmonisation of laws — Turnover taxes — Common system of value added tax — Rate of the tax — Discretionary power of the Member States to apply a reduced rate to certain supplies of goods and services (Council Directive 2006/112, Arts 96 to 99 and Annex III, paras 1 and 11) (see paras 46, 47, 76, 80 and operative part.)*

2. *Tax provisions — Harmonisation of laws — Turnover taxes — Common system of value added tax — Rate of the tax — Discretionary power of the Member States temporarily to apply a reduced rate — Conditions (Council Directive 2006/112, Arts 99 and 110) (see paras 74, 75, 77)*

Re:

Failure of a Member State to fulfil obligations — Infringement of Articles 96 to 99 of Annex III to Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax (OJ 2006 L 347, p. 1) — Application of a reduced rate of VAT to transactions concerning equidae and in particular to horses.

Operative part

The Court:

1.

Declares that, by applying reduced rates of value added tax to transactions relating to equidae and, in particular, to horses, when the latter are not as a matter of course intended for use in the preparation of foodstuffs or in agricultural production, the French Republic has failed to fulfil its obligations under Articles 96 to 99 of Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax, read in conjunction with Annex III thereto;

2.

Orders the French Republic to pay the costs;

3.

Orders Ireland to bear its own costs.